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Message Text

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17
ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 NEA-10 IO-13 AID-05 CIAE-00

COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02

OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05

SS-15 STR-04 CEA-01 L-03 H-02 PA-01 PRS-01 EUR-12

/117 W
---------- 114698
R 260345Z APR 76
FM AMEMBASSY JAKARTA
TO SECSTATE WASHDC 4040
INFO AMEMBASSY BANGKOK
AMEMBASSY MANILA
AMEMBASSY SEOUL
AMEMBASSY TOKYO
AMCONSUL HONG KONG

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PASS TREASURY

E.O. 11652: N/A
TAGS: EFIN, EA
SUBJECT: VIETNAM ISSUES AT ADB ANNUAL MEETING

1. SUMMARY: SOUTH VIETNAMESE DELEGATION ATTENDED A9TH ANNUAL MEETING OF ADB. THEY WERE WELCOMED BY PRESIDENT INOUE. SEVERAL MEMBER DELEGATIONS, PARTICULARLY FRANCE AND SWEDEN, URGED IN FORMAL SPEECHES THAT ADB TAKE ACTIVE ROLE IN RECONSTRUCTION AND DEVELOPMENT VIETNAM AND OTHER INDOCHINA COUNTRIES. HEAD OF VIETNAM DELEGATION, TRAU DUONG,

SPOKE TOWARD END OF CLOSING SESSION. SPEECH DESCRIBES DISORDERED STATE OF ECONOMY AT END OF WAR AND EFFORTS BY NEW REGIME TO RESTORE IT. US CAME IN FOR A FEW KNOCKS, ESPECIALLY FOR TRADE EMBARGO AND ASSETS FREEZE, BUT LANGUAGE RELATIVELY TEMPORATE. DUONG CONTENDED
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THAT REUNIFICATION WOULD MAKE NO DIFFERENCE TO VIETNAM'S MEMBERSHIP

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IN ADB, WHICHNEW GOVERNMENT WISHED TO CONTINUE. HE SAID THAT
PROJECTS BEGUN UNDER PREVIOUS REGIME HAD BEEN TAKEN OVER IN GOOD
CONDITION AND THAT VIETNAM WISHES TO REACTIVATE THEM AS WELL AS
TO PURSUE PLANNING ON ADDITIONAL PROJECTS. HE SAID NOTHING ABOUT
ASSUMPTION OF DEBTS OR WILLINGNESS TO UNDERTAKE OBLIGATIONS OF
MEMBERSHIP. IN INFORMAL MEETING WITH INOUE, VIETNAMESE REAFFIRMED
DESIRE TO HAVE OLD PROJECTS
CONTINUED. THEY ALSO INQUIRED ABOUT HOW VIETNAM COULD CHANGE COUNTRY
GROUPING. VIETNAMESE SAID THEY WISHED TO SHIFT FROM GROUP WITH KOREA
AND CHINA TO LAOS-AFGANISTAN-SRI LANKA GROUP. END SUMMARY.

2. ANNUAL MEETING WAS ATTENDED BY THREE MAN SOUTH VIETNAMESE DELEGA-
TION, APPARENTLY ALL NORTHERNERS. DELEGATION LED BY TRAU DUONG, GOV
OF NATIONAL BANK (OF SOUTH VIETNAM), ASSISTED BY NGUYEN ANH VU,
DIRECTOR GENERAL, ECONOMIC AFFAIRS DEPARTMENT, SVN FOREIGN MINISTRY
AND CAO DAO CUONG, DESCRIBED AS AN EMPLOYEE OF THE NBVN.

3. DURING FORMAL SESSIONS, SEVERAL GOVERNORS MADE REFERENCE TO VIETNAM

CALLING FOR RESUMPTION OF NORMAL RELATIONS AND EXTENSION OF LOANS BY
ADB. FRENCH STATEMENT WAS THE MOST FERVENT: QUOTE ONLY ONE POINT
PREOCCUPIES US CONCERNING THE BANK'S ACTIVITIES AND THIS IS THE
LIMITED INITIATIVE IT HAS TAKEN TOWARDS THE RECONSTRUCTION OF THE
COUNTRIES OF INDOCHINA ... WE WOULD HAVE LIKED ... THE BANK TO BE
LESS TIMID WITH RESPECT TO VIETNAM. ONE MUST OPEN ONE'S EYES.
THE REUNIFICATION OF VIETNAM WILL MAKE OF THIS COUNTRY, NOW
DEDICATED TO PEACE AND HAVING AT ITS DISPOSAL SO MUCH HUMAN AND
NATURAL POTENTIALS, A FIELD FOR DEVELOPMENT ACTIVITY ... WE WOULD
THEREFORE WISH THAT THE YEAR 1976 SEE A COMMENCEMENT OF OPERATIONS
BY THE BANK IN THE NEW VIETNAM, IN CONFORMITY
WITH ITS CHARTER WHICH PUTS IT AT THE DISPOSAL OF ASIAN COUNTRIES
TO ACCELERATE THEIR DEVELOPMENT. IN THIS SPIRIT, THE BANK
SHOULD NO LONGER HESITATE TO SHOW PROOF OF A POSITIVE ATTITUDE WITH
RESPECT TO THE NEW VIETNAM. UNQUOTE. SWEDISH ALSO STRONG: QUOTE THE
ASIAN DEVELOPMENT BANK MUST ACTIVELY SEEK OPERATIONAL CONTACT AND
CONTRIBUTE CONSTRUCTIVELY TO THE RECONSTRUCTION OF THE WAR-DAMAGED
ECONOMIES OF ITS MEMBERS IN ACCORDANCE WITH THEIR WISHES AND
PRIORITIES. PASSIVITY FOR ONE REASON OR OTHER, IN REGARD TO HEALING
THE WOUNDS OF THE WAR, WILL REFLECT NEGATIVELY ON THE STANDING OF
THE BANK AS A BROADLY BASED INTERNATIONAL DEVELOPMENT ORGANIZATION
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.....THE BANK SHOULD PROVE TO THE WAR-DEVASTATED COUNTRIES IN SOUTH
EAST ASIA THAT IT STANDS PREPARED TO GIVE GENEROUS AND CONSTRUCTIVE
ASSISTANCE. UNQUOTE. GERMANS WERE MORE RESTRAINED AFTER CONSULTATION
WITH US DEL WHO SUGGESTED QUOTE IT SEEMS RIGHT THAT THE BANK SHOULD
PARTICIPATE IN THE PEACEFUL RECONSTRUCTION OF INDOCHINA ACCORDING TO
THE NORMAL RULES APPLIED TO ALL MEMBER COUNTRIES. IT IS IN THE
INTEREST OF STABILITY AND SECURITY THAT THE CONSEQUENCES OF THE
WAR SHOULD BE OVERCOME AS SOON AS POSSIBLE UNQUOTE. FINNS SAID:

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QUOTE WE NOTE THAT THE BANK IS ACTIVE IN LAOS AND WE ARE ANXIOUS TO SEE AN ERA OF CLOSE COOPERATION BEGIN WITH VIETNAM AND CAMBODIA. WHILE IT IS NATURAL THAT THE INITIATIVES HAVE TO COME FROM THE COUNTRIES THEMSELVES, WE WOULD LIKE TO BELIEVE THAT THE BANK'S RESPONSE WILL BE POSITIVE AND THAT IT WILL PARTICIPATE IN THE RECONSTRUCTION AND DEVELOPMENT OF THESE COUNTRIES AT THE EARLIEST POSSIBLE STAGE AND WITH SUCH VIGOR AS THE SITUATION DEMANDS UNQUOTE. NETHERLANDS GOV. REMARKED QUOTE I HOPE AND TRUST THAT IT WILL BE POSSIBLE FOR THE BANK TO PARTICIPATE IN A DEVELOPMENT PROGRAM FOR THE COUNTRIES IN INDOCHINA WHICH HAVE SUFFERED SO MUCH FROM WAR EVENTS IN THE RECENT PAST. THE NEED FOR REHABILITATION AND RECONSTRUCTION IN THIS AREA IS A CHALLENGE TO WHICH WE ALL HAVE TO RESPOND UNQUOTE. THE GOVERNOR FOR SRI LANKA SAID THAT SRI LANKA LOOKS FORWARD TO COOPERATING WITH THE COUNTRIES OF INDOCHINA IN THE URGENT TASKS OF RECONSTRUCTION AND DEVELOPMENT AND ENDORSE THE REMARKS OF THE GOV OF SWEDEN.

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MRN: 1976JAKART005403 SEGMENT NUMBER: 000002 ERROR READING TEXT INDEX FILE; TELEGRAM TEXT FOR THIS SEGMENT IS UNAVAILABLE

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